

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7173
BILL NUMBER: HB 2004

DATE PREPARED: Feb 1, 2001
BILL AMENDED:

SUBJECT: Motor Vehicle Excise Tax.

FISCAL ANALYST: Bob Sigalow
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FUNDS AFFECTED:
X
GENERAL
DEDICATED
FEDERAL

IMPACT: State and Local

Summary of Legislation: This bill provides that any Indiana resident who has registered a motor vehicle in Indiana in any previous registration year is not required to register the motor vehicle, is not required to pay Motor Vehicle Excise Tax under IC 6-6-5 or the Commercial Vehicle Excise Tax under IC 6-6-5.5 on the motor vehicle, and is exempt from property tax on the motor vehicle for any registration year in which the motor vehicle is not operated inside or outside Indiana. (Under current law, this exemption is available only to active members of the armed forces who are assigned to a duty station outside Indiana.) It specifies that when an Indiana resident registers a motor vehicle in Indiana after the period of exemption, the Bureau of Motor Vehicles Commission (BMVC) may not require the Indiana resident to pay any tax that is not also charged to other motor vehicles being registered in the same registration year.

Effective Date: January 1, 2002.

Explanation of State Expenditures: For the Bureau of Motor Vehicles, there will be computer changes which can be absorbed within their current budget. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The provisions of this bill could slightly reduce the amount of Motor Vehicle Excise taxes which are distributed to local units.

Background: The Bureau of Motor Vehicles reports that the total amount of *prior year* excise tax collected in 1999 amounted to approximately \$6.1 M. This is from all customers, not necessarily the customers who will be exempted.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected: Recipients of the Motor Vehicle Excise tax distributions and the Commercial Motor Vehicle Excise tax.

Information Sources: Jane Morrical, Director of Treasury for the BMV, 232-2822; Michele Moore, Director of the MVIS/Information System for the BMV, 232-0661.